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MEMORANDUM OF CONVERSATION

PARTICIPANTS: The Attorney General, FBI Director Clarence Kelley, Assistant Attorney General Ruckleshaus, Mr. J. T. Smith, Assistant to the Attorney General and W. E. Colby

1. The Attorney General very kindly invited me to lunch to launch my relationship with Mr. Kelley. After some general conversation, I stated that I look forward to a very close relationship with the FBI. I said that there are new people in various positions and that this gives an opportunity to look at the relationships between our organizations and set them up as they should be for the problems of today and tomorrow, independent of whatever problems may have existed in the past. I said that my interest is foreign intelligence only, for legal and political reasons [redacted]

25X1 [redacted]
25X1 [redacted]
25X1
25X1 [redacted]

I proposed for their consideration a joint approach to these problems, with the FBI a full partner
25X1 in what might be a joint task force approach [redacted]

2. My statement caught Mr. Kelley a bit aback. He said it was his understanding that the relationship between our organizations is very good except that sometimes we did not follow the agreement that we identify our foreign targets to the FBI. I agreed that the working relationships are satisfactory but that I was looking toward a more energetic collaboration. I confessed that there may have been occasions on which we omitted to check out individual cases and that I wish to avoid this in the future by the joint task force concept I outlined. Both the Attorney General and Director Kelley expressed some puzzlement, and even some resistance, at the joint task force concept. This was mainly based on what was obviously a preoccupation in

FBI review completed

DOJ Review Completed.

25X1 [redacted]

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their minds with the importance of encouraging a sense of team spirit and institutional loyalty in an organization (read: the FBI) and the benefits that come from such institutional loyalty which should not be lightly discarded. I indicated some sympathy with this but my belief that suspicions between institutions can best be overcome by wrestling together with real problems rather than conducting arms-length liaison. Director Kelley cut through this problem by indicating his thorough satisfaction with the current level of contact but his willingness to expand it throughout the FBI structure. He commented that in his 20 years with the FBI he had never met a CIA officer. I said that I thought he had answered my question completely with his reference to regular and frequent liaison at the working levels. I stated I would like to invite him, his Deputy, Mr. Callahan, and any other appropriate FBI personnel to visit us one day, at which time I would present a number of our officers to him and establish the basis for continuing free-working exchanges. I commented that we may have failed to advise the FBI in the past on various things but that I would certainly correct this in the future. I commented that I would encourage the development of multiple contacts between the FBI and our own people rather than channeling contacts through a single liaison element.

3. It became apparent to me at this point that perhaps the two ends of the conversation were talking about something different. Mr. Kelley's approach seemed to be one of permissively allowing us to conduct our operations so long as we check them with the FBI. Some of my approach assumed that the FBI should be involved with us in these operations. I then made clear that I expect to take full responsibility and initiative for such cases myself and only look to the FBI to inform them of our activity along these lines so that we did not conduct independent activities, get in each other's way, etc. [redacted]

25X1 [redacted]

25X1

25X1 [redacted] This met general approval with some reservation from Mr. Kelley as to how much the FBI would be able to do of this nature. He was not resistant, he was merely raising a question as to how much could be done.

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4. With respect to technology, I indicated our considerable talents in this regard, which the Attorney General vigorously reinforced. I stated that I would be very happy to expose these for Mr. Kelley's consideration so long as we were in no way involved in domestic activities against our statutory limitations. However, I thought there were many respects in which we could point the FBI in the right direction to make their own acquisitions [redacted] if they wished. The Attorney General reinforced every element of this and said that this would be well worth the FBI's attention due to the extensive progress which had been made by the Agency in this field. I promised Mr. Kelley a full look at this possibility when he came out here.

25X1

5. The Attorney General expressed some question as to the value of the FBI overseas representatives. I said they give us no problem whatsoever and that I thought their focus was on liaison with foreign police, which we were delighted to see them take care of. The Attorney General mentioned something about receiving intelligence from these sources and wanted to know whether we received it and what our evaluation was. I said I believed that we received a few items but not very much. The Attorney General raised the question in terms of resources, whether the contribution received from these overseas FBI reps warranted the costs involved, commenting that mere police liaison does not. I did not answer this directly, but I imagine we will hear some questions on this topic in the future. Perhaps the best interim step is to cover this matter in discussions with the FBI at a later date.

25X1

[redacted]

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7. Mr. Kelley mentioned some differences of opinion between FBI and CIA on the validity of certain operations. He said that his view was that material from operations should be given the best evaluation possible on its face, although he understood that some of our people had a more negative view that some of these operations are controlled by the other side. I commented that this undoubtedly reflected the professional judgment of some of our counter-intelligence people who were trained to and do look at operations with a properly suspicious eye. From this viewpoint, many operations have enough elements which indicate a possible controlled situation. At the same time, I said I agreed with him over the need to approach such material on a straightforward basis and conduct the counterintelligence analysis as a separate matter. I said it was partly for this reason that, when we reorganized our staffs recently, I had removed the FBI liaison function from our Counter Intelligence Staff and put it in a normal operational staff, in order to eliminate any possible overemphasis on the counterintelligence aspect of our collaboration. The counterintelligence analysis would still be conducted, but independently.

8. The meeting broke up with my reiteration of my intention to establish a close and friendly working relationship. In order to start this, I said I would like to invite Mr. Kelley and several others to lunch in the near future. Could we arrange such an occasion shortly after my return from Europe. I would envisage a rather large group with a buffet or similar lunch in the DCI Conference Room, attended on our side
25X1 by DDCI; DDS&T; DDO; DDM&S; General Counsel; Director, OTS;
25X1 Chief, CI Ops; [redacted] Director of Security; [redacted] Director of Training,
25X1 and any others who might be appropriate. On the FBI side, I would think in terms of Mr. Kelley, Mr. Callahan, the USIB rep,
25X1 the Director of the Internal Security Division, and any others best identified by the FBI through [redacted] liaison
25X1 contacts. After the lunch I would hope that DDO might brief
25X1 on [redacted] activities [redacted] DDS&T cover OTS potential, with a few items to display. In the course of these briefings, we should table our recommendations for contact

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arrangements with the FBI, with a strong emphasis on direct working-level contacts with a central liaison point kept informed but not necessarily used as a channel. This should be supplemented by an arrangement for high-level and highly compartmented contact on highly sensitive activities, which would not be revealed more broadly within CIA or within the FBI. Action: DDO.

WEC

W. E. Colby
Director

WEC:blp/jlp

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